



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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June 21, 2001

Cheryl M. Kimball
Keegan, Berlin and Fabian, LLP
21 Custom House Street
Boston, MA 02110

Re: Southern Union Company, D.T.E. 01-52

Dear Ms. Kimball:

Enclosed please find the Department of Telecommunications and Energy's Second Set of Information Requests to Southern Union Company ("the Company") issued in the above-captioned matter. Please submit the Company's responses by Friday, June 22, 2001 at 5 P.M.

Thank you for your attention in this matter.

Sincerely,

Elizabeth A. Cellucci
Hearing Officer

Enc.

cc: Mary Cottrell, Secretary
George Dean, Assistant Attorney General
Carol Wasserman, Division of Energy Resources

COMMONWEALTH OF MASSACHUSETTS

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DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

SECOND SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO SOUTHERN UNION COMPANY

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Southern Union Company ("the Company") the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means: Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn, and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If the Company finds that any one of these requests is ambiguous, please notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve a copy of the responses on Mary Cottrell, Secretary of the Department; also submit one (5) copies of the responses to Elizabeth Cellucci, Hearing Officer.

8. Responses are due by 5:00 p.m. Friday, June 22, 2001.

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**SECOND SET OF INFORMATION REQUESTS OF
THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY
TO SOUTHERN UNION COMPANY**

- DTE 2-1 Please refer to Exhibit SU-3. In D.T.E. 01-33, the Company met the net utility plant test by approximately \$250 million. In the instant filing, the excess of net utility plant over total capitalization amounts to \$130.6 million as shown in Exhibit SU-3. Please explain the reason for the decline in coverage. If this trend continues, please comment on the Company's ability to issue in-kind dividends in 2002 and beyond.
- DTE 2-2 Please refer to Exhibit SU-1, page 15 at 16-18. Please provide the working papers and supporting documentation demonstrating the derivation of the 59, 36, and 5 percent figures.
- DTE 2-3 Please refer to Exhibit SU-4. The company treated the \$123 million 364-day obligation shown as short-term debt in computing the net plant test. Construction work in progress amounted to \$25,133,000. Assuming that short-term debt is the initial source of financing construction work in progress, please describe how the remaining \$95 million of short-term debt was used.
- DTE 2-4 Please refer to Exhibit SU-1 at 7. Since the Company uses its retained earnings in part to finance infrastructure investments, please explain the rationale for subtracting all of retained earnings in the calculation of the net plant test.